CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 10, 1999

H.R. 2818
A bill to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio

As ordered reported by the House Committee on Resources on October 27, 1999

CBO estimates that implementing H.R. 2818 would reduce offsetting receipts by about \$125,000 over the 2000-2004 period. Because the bill would affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply. H.R. 2818 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Counties in Ohio would lose about \$75,000 per year if this bill is enacted. The bill would impose no costs on other state, local, or tribal governments.

H.R. 2818 would prohibit drilling to extract oil or gas from lands beneath waters under the jurisdiction of the United States in Mosquito Creek Lake in Cortland, Ohio. Under current law, the Bureau of Land Management (BLM) is likely to lease approximately 11,100 acres of the mineral estate under the lake for oil and gas development. Based on information from BLM, we estimate that leasing this land will generate annual receipts of about \$100,000 starting in fiscal year 2000. State and local governments would receive 75 percent of such receipts. Therefore, we estimate that enacting H.R. 2818 would reduce net offsetting receipts to the government by about \$25,000 a year starting in 2000.

The CBO staff contacts are Megan Carroll (for federal costs), and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.